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CURRENT STRATEGY FORUM
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THE GORBACHEV ERA: IMPLICATIONS FOR US STRATEGY

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INTRODUCTION

THE SELECTION OF MIKHAIL GORBACHEV AS GENERAL SECRETARY IN THE SPRING OF 1985 SIGNALED THE POLITBURO'S RECOGNITION THAT THE SOVIET UNION WAS IN DEEP TROUBLE -- ESPECIALLY ECONOMICALLY AND SPIRITUALLY -- TROUBLE THAT THEY RECOGNIZED WOULD SOON BEGIN TO HAVE REAL EFFECT ON MILITARY POWER AND THEIR POSITION IN THE WORLD. DESPITE ENORMOUS RAW ECONOMIC POWER AND RESOURCES, INCLUDING A $2 TRILLION A YEAR GNP, THE SOVIET LEADERSHIP BY THE MID-1980S CONFRONTED A STEADILY WIDENING GAP WITH THE WEST AND JAPAN -- ECONOMICALLY, TECHNOLOGICALLY AND IN VIRTUALLY ALL AREAS OF THE QUALITY OF LIFE.

AS A RESULT OF THESE TRENDS, THE POLITBURO RECOGNIZED THAT THE SOVIET UNION COULD NO LONGER RISK THE SUSPENDED ANIMATION OF THE BREZHNEV YEARS, AND COALESCED AROUND AN IMAGINATIVE AND VIGOROUS LEADER WHOM THEY HOPED COULD REVITALIZE THE COUNTRY WITHOUT ALTERING THE BASIC STRUCTURE OF THE SOVIET STATE OR COMMUNITY PARTY.

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STRENGTHENING THE LEADERSHIP AND HIS POSITION

THERE IS STRONG SUPPORT IN THE POLITBURO FOR MODERNIZATION OF THE SOVIET ECONOMY. EVEN SO, NEARLY EVERY STEP GORBACHEV SEEKS TO TAKE TOWARD STRUCTURAL ECONOMIC OR POLITICAL CHANGE IS A STRUGGLE, AND SUPPORT IN THE POLITBURO FOR HIS INITIATIVES SHIFTS CONSTANTLY. INCREASINGLY, AS GORBACHEV HAS ATTEMPTED TO PUSH THE REFORM PROCESS FURTHER, OPINION IN THE POLITBURO HAS BECOME POLARIZED; INDEED, AN OPEN SPLIT DEVELOPED LATE THIS WINTER. PARTY SECRETARY LIGACHEV -- THE NUMBER TWO MAN -- BECAME MORE VOCAL IN HIS CRITICISM OF GORBACHEV'S AGENDA. APPARENTLY BELIEVING GORBACHEV TO BE VULNERABLE FOLLOWING THE DISTURBANCES IN ARMENIA, LIGACHEV REPORTEDLY AUTHORIZED PUBLICATION OF A VENOMOUS ARTICLE DEFENDING STALIN AND QUESTIONING GORBACHEV'S PROGRAM.

GORBACHEV COUNTERATTACKED IN MARCH, APPARENTLY TRUMPED LIGACHEV IN A POLITBURO DEBATE ON THE ISSUE, AND HAS REDUCED HIS ROLE. AND LIGACHEV NOW AT LEAST IS SOUNDING MORE SUPPORTIVE.

THE POLITICAL WAR IS FAR FROM OVER, HOWEVER, AND THE STAKES ARE HIGH; IN THE SHORT TERM, CONTROL OF THE PARTY CONFERENCE DUE TO OPEN IN LESS THAN TWO WEEKS, AND WITH IT THE IMMEDIATE

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FATE OF THE REFORM AGENDA IS ON THE LINE. FOR THE LONGER TERM, THERE WILL BE CONTINUING BATTLES OVER PACE AND SCOPE OF MODERNIZATION AND WHO HOLDS POLITICAL POWER. EVEN GORBACHEV ADMITS THE STRUGGLE WILL LAST A DECADE OR MORE; FOR HIM, THERE WILL ALWAYS BE A LIGACHEV AND LEGIONS OF LITTLE STALINS.

THE STRUGGLE WITHIN THE POLITBURO IS ALL THE MORE IMPORTANT TO GORBACHEV BECAUSE BELOW THE POLITBURO, SUPPORT FOR CHANGE -- AND ESPECIALLY FAR-REACHING CHANGE -- IS EVEN SHAKIER. OPPOSITION FROM THE PARTY CENTRAL COMMITTEE AND PARTY APPARATUS IS A CRITICAL PROBLEM FOR GORBACHEV. SENIOR LEVELS OF THE ECONOMIC BUREAUCRACY STAND TO LOSE THE MOST IF GORBACHEV MOVES TO DECENTRALIZE THE SYSTEM AND ARE IMPORTANT OBSTACLES TO IMPLEMENTATION OF HIS PROGRAM. WHILE MANY SENIOR OFFICIALS OF THE NATIONAL SECURITY BUREAUCRACIES UNDERSTAND THE CONNECTION BETWEEN A STRONG DEFENSE AND A HEALTHY ECONOMY, THEY ALSO ARE UNHAPPY WITH THE IDEA OF GREATER CONSTRAINTS ON DEFENSE SPENDING AND SKEPTICAL OF PROMISED BENEFITS. OTHERS, FOR EXAMPLE THE KGB, ARE CONCERNED ABOUT THE POTENTIAL FOR INSTABILITY AT HOME AND IN EASTERN EUROPE CREATED BY ANY RELAXATION OF POLITICAL CONTROLS. THE SOVIET POPULATION SEEMS TO BE PASSIVELY SUPPORTIVE, BUT THEY HAVE SEEN CAMPAIGNS FOR CHANGE COME AND GO. THEY ARE SKEPTICAL THAT GORBACHEV'S EFFORTS WILL PRODUCE LASTING RESULTS OR EVEN IMMEDIATE PAYOFFS. THE INTELLIGENTSIA ARE PROBABLY THE ONLY GROUP THAT COMES CLOSE TO GIVING WHOLE-HEARTED SUPPORT.

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IN SUM, GORBACHEV STILL VIGOROUSLY SUPPORTS RESTRUCTURING, HAS MADE HEADWAY IN OBTAINING POLITBURO SUPPORT, BUT FACES A LARGELY HOSTILE PARTY AND STATE BUREAUCRACY AND A CONSERVATIVE AND APATHETIC POPULATION. EVERY RUSSIAN AND SOVIET LEADER FROM PETER THE GREAT TO THE PRESENT SEEKING CHANGE OR MODERNIZATION HAS FACED FORMIDABLE OPPOSITION. BUT, UNLIKE THEM, GORBACHEV REALISTICALLY CANNOT RESORT TO WIDE-SCALE TERROR AND VIOLENCE TO ELIMINATE THOSE WHO STAND IN HIS WAY. HE MUST RELY ON A LONG TERM, LARGELY NON-VIOLENT PURGE OF PARTY AND BUREAUCRACY AND PLACEMENT OF HIS SUPPORTERS IF HE IS TO REMAIN IN POWER AND TO SUCCEED AT ALL. THE CENTRAL QUESTION IS WHETHER HE WILL GET ENOUGH TIME.

MODERNIZATION OF THE ECONOMY

ALTHOUGH BY 1985 GORBACHEV HAD BEEN ON THE POLITBURO FOR SIX YEARS AND A CENTRAL COMMITTEE MEMBER FOR 14 YEARS, HE NOW ADMITS THAT WHEN HE BECAME GENERAL SECRETARY HE UNDERESTIMATED THE SEVERITY OF THE ECONOMIC PROBLEMS AFFLICTING THE SOVIET UNION. ACCORDINGLY, HE SEEMS TO BE INCREASINGLY RECEPTIVE TO MORE RADICAL PROPOSALS FOR CHANGE.

TAKEN AS A WHOLE, THE REFORM MEASURES PUT IN PLACE IN GORBACHEV'S THREE YEAR TENURE ARE AN IMPRESSIVE PACKAGE.

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NEVERTHELESS, THE REFORMS DO NOT GO NEARLY FAR ENOUGH. THE REFORM PACKAGE AS NOW CONSTITUTED IS A SET OF HALF MEASURES THAT LEAVES IN PLACE THE PILLARS OF SOCIALIST CENTRAL PLANNING.

BECAUSE OF INTERNAL CONTRADICTIONS AND THE RETENTION OF SO MANY ELEMENTS OF THE PRESENT SYSTEM, EVEN IF FULLY IMPLEMENTED BY 1991 AS INTENDED, THE REFORMS WILL NOT CREATE THE DYNAMIC ECONOMIC MECHANISM THAT GORBACHEV SEEKS AS THE MEANS TO REDUCE OR CLOSE THE TECHNOLOGICAL GAP WITH THE WEST. TO THE CONTRARY, AGGRESSIVE IMPLEMENTATION OF REFORMS IS CAUSING SERIOUS DISRUPTIONS AND TURBULENCE IN THE ECONOMY. SPECIFICALLY:

-- SOVIET GNP GROWTH FELL TO ABOUT .5% IN 1987, DOWN FROM ALMOST 4% IN 1986.

-- GORBACHEV'S QUALITY CONTROL PROGRAM IS DISRUPTING PRODUCTION.

-- NEW INITIATIVES IN ORGANIZATION AND MANAGEMENT ARE CREATING CONFUSION AND APPREHENSION IN SOME QUARTERS, AND BUREAUCRATIC FOOT-DRAGGING AND OUTRIGHT RESISTANCE IN OTHERS.

-- DESPITE CONSIDERABLE RHETORIC, NONE OF THE PROPOSALS SO FAR GREATLY CHANGES THE SYSTEM OF ECONOMIC INCENTIVES

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THAT DISCOURAGE MANAGEMENT INNOVATION, TECHNOLOGICAL CHANGE AND PRIVATE INITIATIVE.

-- A SHARP DECLINE IN SOVIET HARD CURRENCY EARNINGS (THE RESULT OF FALLING OIL PRICES AND THE DEPRECIATION OF THE DOLLAR) WILL LIMIT MUCH NEEDED SPECIALIZED IMPORTS FROM THE WEST.

-- TRYING TO RESHAPE THE ENTIRE STALINIST ECONOMIC STRUCTURE GRADUALLY WHILE LEAVING KEY PROBLEMS OF PRICE REFORM AND THE GOVERNMENT MONOPOLY OVER GOODS UNTIL LAST IS LIKE A PHASED CHANGE FROM DRIVING ON THE RIGHT HAND SIDE OF THE ROAD TO THE LEFT -- TRUCKS FIRST, CARS LATER. THE RESULTS ARE LIKELY TO BE SIMILAR. TO ILLUSTRATE JUST HOW TOTALLY OUT OF KILTER THE SOVIET ECONOMY IS, CONSIDER THAT RENTS FOR HOUSING -- WHICH IS GENERALLY AWFUL HAVE NOT BEEN RAISED SINCE 1928; THE CURRENT PRICE OF BREAD WAS SET IN 1954; AND FOOD PRICES OVERALL IN 1962. STATE SUBSIDIES ARE SO HUGE THAT IT IS CHEAPER FOR A PEASANT TO FEED HIS PIGS BREAD THAN TO GIVE THEM GRAIN. (AND THE SOVIET PEOPLE KNOW ANY PRICE REFORM CAN ONLY HURT THEM.)

-- FINALLY, FOR A MODERNIZATION DRIVE THAT DEPENDS IN SUBSTANTIAL MEASURE ON HARDER WORK, THERE ARE FEW REWARDS FOR SUCH WORK. UNSATISFIED CONSUMER DEMAND IS

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REFLECTED IN CONTINUING LONG LINES IN STATE STORES AND RISING PRICES IN THE COLLECTIVE FARM MARKETS. AND GORBACHEV OFFERS LITTLE HOPE OF SIGNIFICANT CHANGE FOR YEARS.

THUS, WHILE IMPORTANT BATTLES HAVE BEEN WON IN PRINCIPLE, THE WAR TO CHANGE FUNDAMENTALLY THE MAIN PILLARS OF THE STALINIST ECONOMIC SYSTEM REMAINS TO BE FOUGHT AND WON.

POLITICAL REFORM

GORBACHEV'S PLANS FOR THE POLITICAL SYSTEM REMAIN LESS WELL-DEFINED THAN HIS ECONOMIC AGENDA. BUT HE AND HIS ALLIES HAVE SHOWN A GROWING CONVICTION THAT THE REVITALIZATION OF SOCIETY AND ECONOMY CAN SUCCEED ONLY IF THERE ARE SIGNIFICANT CHANGES IN THE POLITICAL ARENA AS WELL. THE REGIME APPEARS TO BE MOVING ON AT LEAST THREE FRONTS TO CREATE THE POLITICAL CLIMATE IT SEEKS:

-- THE FIRST IS IDEOLOGY. GORBACHEV IS FRUSTRATED WITH THE STRAITJACKET OF INHERITED DOCTRINE THAT OPPONENTS OF CHANGE HAVE SOUGHT TO IMPOSE ON HIM. HE SEEKS TO EXPAND HIS ROOM TO MANEUVER BY AN INCREASINGLY OPEN ATTACK ON STAGNATION IN IDEOLOGY AND BY DEPICTING HIS OWN PROPOSALS AS AN EFFORT TO RETURN TO LENIN'S

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ORIGINAL INTENT AND EXPAND THE BOUNDS OF WHAT IS PERMISSABLE UNDER SOCIALISM.

-- THE SECOND FRONT IS DEMOCRATIZATION. GORBACHEV'S CAMPAIGN FOR "DEMOCRATIZATION" IS DESIGNED TO REVITALIZE THE COUNTRY'S POLITICAL INSTITUTIONS. INITIALLY, THIS WAS MOSTLY RHETORIC. IN RECENT MONTHS, HOWEVER, AS THE JUNE PARTY CONFERENCE HAS DRAWN CLOSER, HIS PROPOSALS HAVE TAKEN ON NEW LIFE. THE SOVIET PRESS HAS PUBLICIZED NUMEROUS PROPOSALS TO BE CONSIDERED AT THE CONFERENCE, INCLUDING CALLS TO LIMIT THE TERMS OF OFFICE FOR PARTY OFFICIALS, MANDATORY RETIREMENT, AND USE OF SECRET BALLOTS IN ELECTIONS. GORBACHEV APPARENTLY BELIEVES THAT WITHOUT SUCH REFORM, IT WILL BE IMPOSSIBLE TO BREAK THE RESISTANCE WITHIN THE PARTY TO HIS AGENDA.

-- THE THIRD FRONT IS GLASNOST, OR OPENNESS. TIGHT CENTRAL CONTROLS OVER THE FLOW OF IDEAS AND INFORMATION LIE AT THE HEART OF THE SOVIET SYSTEM. REMARKS BY GORBACHEV AND HIS KEY ALLIES INDICATE THAT THE NEW LEADERSHIP BELIEVES THAT THIS APPROACH IS INCOMPATIBLE WITH AN INCREASINGLY WELL-EDUCATED SOCIETY, COMPLEX ECONOMY AND THE POLITICAL NEEDS OF THE MOMENT. I SEE OTHER MOTIVES AS WELL BEHIND GLASNOST, NOT LEAST OF WHICH IS USE OF AN APPARENT LIBERALIZING FORCE TO ACHIEVE SOME RATHER OLD-FASHIONED OBJECTIVES.

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GLASNOST IS BEING USED TO CRITICIZE OFFICIALS GORBACHEV SEES AS HOSTILE AND TO PRESSURE THEM TO GET WITH THE PROGRAM.

IT IS BEING USED TO HIGHLIGHT PROBLEMS HE WANTS TO ATTACK -- SUCH AS ALCOHOLISM AND DRUG ABUSE, STALIN'S LEGACY, AND BUREAUCRATIC INERTIA -- IN ORDER TO MOBILIZE SOCIETY BEHIND HIS CAMPAIGNS.

HE HOPES TO USE THE ATMOSPHERE OF GREATER OPENNESS TO COOPT INTELLECTUALS AND PARTICULARLY ENGINEERS AND SCIENTISTS TO BE FULL PARTNERS IN THE ATTEMPT TO MODERNIZE THE ECONOMY -- TO OVERCOME THEIR CYNICISM.

IT ENABLES THE REGIME TO COMPETE WITH FOREIGN AND OTHER UNOFFICIAL SOURCES OF INFORMATION. SINCE THE POPULATION WILL HEAR ABOUT RIOTING IN KAZAKHSTAN AND ARMENIA AND THE DISASTER AT CHERNOBYL ANYWAY, GORBACHEV BELIEVES IT IS BEST TO PRINT THE NEWS AND PUT AN OFFICIAL SPIN ON IT.

FINALLY, HE INTENDS TO LEGITIMIZE BROADER DISCUSSION OF PROBLEMS AND POSSIBLE SOLUTIONS THAN PERMITTED HERETOFORE IN ORDER TO BREAK THE BACK OF

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DOMESTIC RESISTANCE AND INCREASE HIS ROOM FOR MANEUVER AT HOME. FURTHER, HE SEES THE EXPANSION OF POLITICAL DEBATE AS A NECESSARY STEP TO ACHIEVE HIS LONGER RANGE GOALS.

TO KEEP GLASNOST IN PERSPECTIVE, THERE HAS BEEN A MORE OPEN AIRING OF PROBLEMS, BUT ONLY A VERY LIMITED EXPANSION OF POLITICAL DEBATE. EVEN THIS HAS LED TO CONTROVERSY OVER THE POLICY ITSELF AND OPEN CRITICISM BY OTHERS IN THE POLITBURO THAT "OPENNESS" HAS GONE TOO FAR. GORBACHEV HIMSELF HAS CAUTIONED MEDIA OFFICIALS NOT TO GO TOO FAR LEST THEY UNDERMINE SOCIALIST VALUES OR CREATE A CLIMATE OF DISRESPECT FOR PARTY OFFICIALS. YET, GORBACHEV ALREADY HAS SET LOOSE FORCES THAT WILL BE IMMENSELY DIFFICULT AND PAINFUL TO LEASH -- AS MUST HAPPEN AT SOME POINT. THIS HAS BEEN ESPECIALLY EVIDENT DURING THE CONTINUING DISTURBANCES IN ARMENIA AND AZERBAIZHAN.

WHILE GORBACHEV'S BOLD POLITICAL MOVES AND RADICAL RHETORIC HAVE SHAKEN THE SOVIET SYSTEM, HE HAS NOT YET REALLY CHANGED IT. THE ULTIMATE FATE OF HIS VISION OF REFORM WILL DEPEND ON HOW SUCCESSFUL HE IS IN PUSHING AHEAD WITH ITS IMPLEMENTATION OVER THE NEXT DECADE IN THE FACE OF DESIGN FLAWS, ECONOMIC DISRUPTION, TREMENDOUS OPPOSITION AND, WORSE, APATHY. BUREAUCRATIC AS WELL AS POPULAR HOSTILITY IS LIKELY TO GROW AS

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DISRUPTION AND DISLOCATION BROUGHT ABOUT BY CHANGE RESULT IN ECONOMIC SETBACKS AND, IN ALL LIKELIHOOD, A WORSENING SITUATION FOR THE CONSUMER. WHAT GORBACHEV IS SUCCESSFULLY CHANGING IS THE OFFICIALDOM OF THE PARTY AND STATE BUREAUCRACY. ONCE AGAIN, THE PURGE HAS BECOME THE VEHICLE FOR CONSOLIDATING AND ENHANCING PERSONAL POWER, AS WELL AS FOR IMPLEMENTING CHANGE.

IT IS BY NO MEANS CERTAIN -- I WOULD EVEN SAY IT IS DOUBTFUL -- THAT HE CAN IN THE END PULL OFF REJUVENATION OF THE SYSTEM, BUT HE HAS DEMONSTRATED A WILLINGNESS TO RISK HIS POWER AND POSITION IN THE EFFORT. AS MUCH AS ANYTHING, THIS INDICATES HOW DESPERATE HE BELIEVES THE SOVIET PREDICAMENT REALLY IS.

IMPLICATIONS FOR FOREIGN POLICY AND FOR US STRATEGY

THERE SEEMS TO BE GENERAL AGREEMENT IN THE POLITBURO THAT, FOR NOW, ECONOMIC MODERNIZATION REQUIRES A MORE PREDICTABLE, IF NOT BENIGN, INTERNATIONAL ENVIRONMENT. THE ELEMENTS OF FOREIGN POLICY THAT SPRING FROM DOMESTIC ECONOMIC WEAKNESS ARE A MIX OF NEW INITIATIVES AND LONGSTANDING POLICIES. FIRST, GORBACHEV WANTS TO ESTABLISH A NEW AND FAR-REACHING DETENTE FOR THE FORESEEABLE FUTURE TO OBTAIN TECHNOLOGY, INVESTMENT, TRADE AND, ABOVE ALL, TO AVOID MAJOR NEW MILITARY EXPENDITURES WHILE THE SOVIET ECONOMY IS REVIVED. GORBACHEV MUST SLOW OR STOP

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AMERICAN MILITARY MODERNIZATION THAT THREATENS NOT ONLY SOVIET STRATEGIC GAINS OF THE LAST GENERATION BUT WHICH ALSO, IF CONTINUED, WILL FORCE THE USSR TO DEVOTE HUGE NEW RESOURCES TO THE MILITARY IN A HIGH TECHNOLOGY COMPETITION FOR WHICH THEY ARE ILL-EQUIPPED. THE SOVIETS KNOW THAT DETENTE IN THE EARLY 1970S CONTRIBUTED SIGNIFICANTLY TO DOWNWARD PRESSURE ON WESTERN DEFENSE BUDGETS, SLOWED MILITARY MODERNIZATION, WEAKENED RESOLVE TO COUNTER SOVIET ADVANCES IN THE THIRD WORLD, AND OPENED TO THE USSR NEW OPPORTUNITIES FOR WESTERN TECHNOLOGY AND ECONOMIC RELATIONS.

SECOND, A LESS VISIBLE BUT ENDURING ELEMENT OF FOREIGN POLICY -- EVEN UNDER GORBACHEV -- IS THE CONTINUING EXTRAORDINARY SCOPE AND SWEEP OF SOVIET MILITARY MODERNIZATION AND WEAPONS RESEARCH AND DEVELOPMENT. DESPITE SOVIET RHETORIC, WE STILL SEE NO SLACKENING OF THEIR WEAPONS PRODUCTION OR PROGRAMS. AND, FURTHER, SOVIET RESEARCH ON NEW, EXOTIC WEAPONS SUCH AS LASERS AND THEIR OWN VERSION OF SDI CONTINUES APACE. VIRTUALLY ALL OF THEIR PRINCIPAL STRATEGIC WEAPONS WILL BE REPLACED WITH NEW, MORE SOPHISTICATED SYSTEMS BY THE MID-1990S, AND A NEW STRATEGIC BOMBER IS BEING ADDED TO THEIR ARSENAL FOR THE FIRST TIME IN DECADES. THEIR DEFENSES AGAINST US WEAPONS ARE BEING STEADILY IMPROVED, AS ARE THEIR CAPABILITIES FOR WAR-FIGHTING. AS OUR DEFENSE BUDGET DECLINES AGAIN, THEIRS CONTINUES TO GROW, ALBEIT SLOWLY.

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THE THIRD ELEMENT OF GORBACHEV'S FOREIGN POLICY IS CONTINUED AGGRESSIVE PURSUIT OF SOVIET OBJECTIVES AND PROTECTION OF SOVIET CLIENTS IN THE THIRD WORLD. UNDER GORBACHEV, THE SOVIETS AND CUBANS ARE NOW PROVIDING MORE THAN A BILLION DOLLARS A YEAR IN ECONOMIC AND MILITARY ASSISTANCE TO NICARAGUA; MORE THAN A BILLION DOLLARS WORTH OF MILITARY EQUIPMENT WAS SENT TO VIETNAM, LAOS AND CAMBODIA IN THE FIRST SIX MONTHS OF LAST YEAR; MORE THAN FOUR BILLION DOLLARS IN MILITARY EQUIPMENT HAS BEEN SENT TO ANGOLA SINCE 1984. AND, OF COURSE, CUBA GETS ABOUT FIVE BILLION DOLLARS IN SOVIET SUPPORT EACH YEAR. AT A TIME OF ECONOMIC STRESS AT HOME, THESE COMMITMENTS SPEAK CLEARLY ABOUT SOVIET PRIORITIES.

THE FOURTH ELEMENT OF GORBACHEV'S FOREIGN POLICY IS NEW AND DYNAMIC DIPLOMATIC INITIATIVES TO WEAKEN TIES BETWEEN THE US AND ITS WESTERN ALLIES, CHINA, JAPAN, AND THE THIRD WORLD; TO PORTRAY THE SOVIET GOVERNMENT AS COMMITTED TO ARMS CONTROL AND PEACE; AND TO SUGGEST MOSCOW'S INTEREST IN DIPLOMATIC SOLUTIONS TO THIRD WORLD PROBLEMS. THE FOREMOST EXAMPLE OF THIS IS THE DECISION TO WITHDRAW FROM AFGHANISTAN. WE CAN AND SHOULD EXPECT OTHER NEW AND BOLD INITIATIVES, PERHAPS INCLUDING UNILATERAL CONVENTIONAL FORCE REDUCTIONS THAT WILL SEVERELY TEST ALLIANCE COHESION. SIMILARLY, NEW INITIATIVES WITH CHINA AND JAPAN SEEM LIKELY IN AN EFFORT, TO OVERCOME BILATERAL OBSTACLES TO IMPROVED RELATIONS AND TO EXPLOIT PROBLEMS BETWEEN THEM AND THE US. AND, IN THE THIRD WORLD, THEY WILL SEEK TO TAKE ADVANTAGE OF ANY RELAXATION OF US VIGILANCE OR CONSTANCY.

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IN THIS CONNECTION, I BELIEVE WE CAN ANTICIPATE FURTHER SIGNIFICANT SOVIET INITIATIVES FOR ARMS CONTROL -- SOME OF THEM AMBITIOUS AND UNREALISTIC, BUT VIRTUALLY ALL WITH ENORMOUS GLOBAL POLITICAL APPEAL. GORBACHEV IS PREPARED TO EXPLORE -- AND, I THINK, REACH -- SIGNIFICANT REDUCTIONS IN WEAPONS, BUT PAST SOVIET PRACTICE SUGGESTS HE WILL SEEK AGREEMENTS THAT PROTECT EXISTING SOVIET ADVANTAGES, LEAVE OPEN ALTERNATIVE AVENUES OF WEAPONS DEVELOPMENT, OFFER COMMENSURATE POLITICAL GAIN, OR TAKE ADVANTAGE OF US UNILATERAL RESTRAINT OR CONSTRAINTS (SUCH AS OUR UNWILLINGNESS IN THE 1970S TO BUILD A PERMITTED LIMITED ABM).

IN MY JUDGMENT, THE BENEFITS OF ARMS CONTROL FOR GORBACHEV, PARTICULARLY WITH RESPECT TO STRATEGIC WEAPONS, ARE PRIMARILY STRATEGIC AND POLITICAL, NOT ECONOMIC. HE DOES SEEK TO AVOID NEW, UNANTICIPATED COSTS THAT DEVELOPMENTS SUCH AS SDI MIGHT REQUIRE. THESE WOULD PROBABLY BE SUBSTANTIAL IN THE 1990S AND COULD WREAK HAVOC ON HIS ECONOMIC MODERNIZATION AGENDA. HOWEVER, IN TERMS OF POTENTIAL SAVINGS, STRATEGIC OFFENSIVE WEAPONS ACCOUNT FOR ONLY ABOUT 10 PERCENT OF THE SOVIET BUDGET. FEW OF THE PRODUCTION OR RESOURCE CAPABILITIES ARE TRANSFERABLE TO CIVILIAN PURPOSES AND THE SOVIETS ALREADY HAVE MADE THE INVESTMENT NECESSARY FOR PRODUCTION OF THEIR STRATEGIC WEAPONS FORCE THROUGH THE MID-1990S. ONLY THROUGH SIGNIFICANT CONVENTIONAL FORCE REDUCTIONS COULD GORBACHEV BEGIN TO REALIZE

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ANY MAJOR ECONOMIC BENEFIT AND, TO A GREAT EXTENT, THIS WOULD BE YEARS IN THE FUTURE.

THE POLITICAL BENEFITS OF ARMS CONTROL FOR GORBACHEV ARE EVIDENT. AS I NOTED EARLIER, IT HAS THE POTENTIAL TO BRING DOWNWARD PRESSURE ON WESTERN DEFENSE BUDGETS, SLOW WESTERN MILITARY MODERNIZATION, WEAKEN RESOLVE TO COUNTER SOVIET ADVANCES IN THE THIRD WORLD, AND OPEN TO THE USSR NEW OPPORTUNITIES FOR WESTERN TECHNOLOGY AND ECONOMIC RELATIONS. ARMS CONTROL GIVES CREDENCE TO SOVIET CLAIMS OF THEIR BENIGN INTENTIONS AND MAKES THEM APPEAR TO BE A FAR MORE ATTRACTIVE PARTNER TO OTHER COUNTRIES IN POLITICAL, CULTURAL, AND ECONOMIC ARENAS.

ARMS CONTROL IS AN ATTRACTIVE PROPOSITION FROM GORBACHEV'S POINT OF VIEW FOR ITS STRATEGIC IMPACT AS WELL -- AS LONG AS ANY AGREEMENT REFLECTS BASIC SOVIET POSITIONS: PERMITTING CONTINUED MODERNIZATION OF HEAVY ICBMS AND DEPLOYMENT OF MOBILE ICBMS, PREVENTS THE UNITED STATES FROM DEPLOYING AN EFFECTIVE SPACE-BASED MISSILE DEFENSE, AND PLACES CONSTRAINTS ON AIR AND SEA LAUNCHED CRUISE MISSILES. FROM THE SOVIET PERSPECTIVE, DEEP CUTS IN STRATEGIC OFFENSIVE ARMS, WITH THESE CONSTRAINTS, OFFER THE MEANS TO LIMIT THE GROWING NUMBER OF HARD-TARGET WEAPONS IN THE US ARSENAL AND TO CONSTRAIN US PROGRESS IN THE DEVELOPMENT OF ADVANCED STRATEGIC DEFENSES. WHILE START WOULD ALSO OBVIOUSLY LIMIT SOVIET WEAPONS PROGRAMS, THEY PRESUMABLY BELIEVE THAT AN AGREEMENT THAT ENCOMPASSED THEIR BOTTOM-LINE

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POSITIONS WOULD, AT MINIMUM, NOT DEGRADE THEIR RELATIVE STRATEGIC POSTURE.

ARMS CONTROL AND OTHER NEW INITIATIVES ALSO ARE INTENDED TO BREAK SOVIET FOREIGN POLICY OUT OF LONGSTANDING TACTICAL DEADENDS AND TO MAKE THE SOVIET UNION A MORE EFFECTIVE, FLEXIBLE AND VIGOROUS PLAYER THROUGHOUT THE WORLD. THE RESULT IS LIKELY TO BE A SOVIET POLITICAL CHALLENGE TO THE US ABROAD THAT COULD POSE GREATER PROBLEMS FOR OUR INTERNATIONAL POSITION, ALLIANCES AND RELATIONSHIPS IN THE FUTURE THAN THE HERETOFORE ONE DIMENSIONAL SOVIET MILITARY CHALLENGE. WE MUST BE PREPARED FOR GREATER SOVIET FLEXIBILITY -- A NEW AND DISCONCERTING WILLINGNESS TO SAY YES TO SOME OLD AND NOT WELL EXAMINED US AND WESTERN PROPOSALS. CONSIDERABLE NEW THINKING, FLEXIBILITY AND POLITICAL AGILITY WILL BE NEEDED ON OUR OWN PART TO ANTICIPATE AND COUNTER SOVIET INITIATIVES AND TO AVOID BEING OUTMANEUVERED AND PLACED CONSISTENTLY ON THE DEFENSIVE.

CONCLUSIONS

WHILE ACTUAL CHANGES IN THE ECONOMY OR POLITICAL LIFE OF THE SOVIET UNION SO FAR HAVE BEEN MODEST, WHAT GORBACHEV ALREADY HAS SET IN MOTION REPRESENTS A POLITICAL EARTHQUAKE. HE IS PULLING ALL OF THE LEVERS OF CHANGE IN A SOCIETY AND CULTURE THAT HISTORICALLY HAS RESISTED CHANGE -- AND WHERE CHANGE USUALLY HAS BEEN VIOLENT AND WRENCHING. THE FORCES HE

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HAS UNLEASHED ARE POWERFUL BUT SO ARE THE PEOPLE AND INSTITUTIONS HE HAS ANTAGONIZED -- THUS SETTING IN MOTION A TREMENDOUS POWER STRUGGLE AND PURGE NO LESS DRAMATIC FOR THE ABSENCE OF SHOW TRIALS AND TERROR.

THE STRUGGLE IS ESSENTIALLY BETWEEN THOSE SEEKING TO PRESERVE THE STATUS QUO -- AND THEIR POWER IN IT -- AND GORBACHEV AND HIS ALLIES WHO SEEK TO REPLACE THOSE NOW IN POWER AND, IRONICALLY, TO TURN THE CLOCK BACK, BACK BEFORE STALINISM TO LENINISM. GORBACHEV SEEKS TO RESTORE IN THE USSR A SYSTEM IN WHICH SOME -- THOUGH CERTAINLY NOT ALL -- ELEMENTS OF THE STALINIST ECONOMIC STRUCTURE AND BUREAUCRACY ARE ELIMINATED THUS OPENING THE WAY TO GREATER FLEXIBILITY AND INNOVATION AND THEREBY TO MODERNIZATION AND IMPROVED PERFORMANCE.

IN THE POLITICAL ARENA, GORBACHEV'S LENINISM MEANS THE CONTINUED POLITICAL MONOPOLY OF THE COMMUNIST PARTY, ITS ROLE AS SOLE ARBITER OF THE NATIONAL AGENDA, ITS CONTROL OF ALL THE LEVERS OF POWER, AND ITS ULTIMATE AUTHORITY OVER ALL ASPECTS OF NATIONAL LIFE -- INCLUDING THE LAW. IT ALSO MEANS A MASSIVE PURGE OF THE PARTY AND GOVERNMENT BUREAUCRACY, NOW UNDERWAY. GORBACHEV'S OWN BOOK MAKES CLEAR THAT "DEMOCRATIZATION" SOVIET-STYLE DOES NOT MEAN MOVING THE USSR AWAY FROM MARXISM-LENINISM AND ITS ESSENTIALLY TOTALITARIAN STRUCTURE. HIS RECENT ACTIONS IN SUPPRESSING THE DEMOCRATIC UNION AND OTHER SUCH EMBRYONIC OPPOSITION PARTIES PROVE THE POINT. THE DICTATORSHIP OF THE COMMUNIST PARTY REMAINS UNTOUCHED AND UNTOUCHABLE.

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WESTERNERS FOR CENTURIES HAVE HOPED REPEATEDLY THAT RUSSIAN ECONOMIC MODERNIZATION AND POLITICAL REFORM -- EVEN REVOLUTION -- SIGNALED AN END TO DESPOTISM. REPEATEDLY SINCE 1917, THE WEST HAS HOPED THAT DOMESTIC CHANGES IN THE USSR WOULD LEAD TO CHANGES IN COMMUNIST COERCIVE RULE AT HOME AND AGGRESSIVENESS ABROAD. THESE HOPES, DASHED TIME AND AGAIN, HAVE BEEN REVIVED BY GORBACHEV'S AMBITIOUS DOMESTIC AGENDA, INNOVATIVE FOREIGN POLICY AND PERSONAL STYLE.

THERE IS A CHANCE -- A VERY SMALL ONE IN MY VIEW -- THAT GORBACHEV IS SETTING LOOSE FORCES THAT NEITHER HE NOR THE PARTY WILL BE ABLE TO CONTROL AND THAT, CONTRARY TO THEIR INTENTIONS AND EXPECTATIONS, ULTIMATELY MAY BRING A FUNDAMENTAL AND WELCOME TRANSFORMATION OF THE SOVIET UNION AT HOME AND ABROAD. AS WE HOPE THAT THIS REMOTE POSSIBILITY SOMEDAY COMES TO PASS, I WOULD ADVISE, IN OLIVER CROMWELL'S FAMOUS WORDS, THAT WE "TRUST IN GOD, BUT KEEP YOUR POWDER DRY."

ENDURING CHARACTERISTICS OF SOVIET GOVERNANCE AT HOME AND POLICY ABROAD MAKE IT CLEAR THAT -- WHILE THE CHANGES UNDERWAY OFFER OPPORTUNITIES FOR THE UNITED STATES AND FOR A RELAXATION OF TENSIONS -- GORBACHEV INTENDS IMPROVED SOVIET ECONOMIC PERFORMANCE, GREATER POLITICAL VITALITY AT HOME, AND MORE DYNAMIC DIPLOMACY TO MAKE THE USSR A MORE COMPETITIVE AND STRONGER ADVERSARY IN THE YEARS AHEAD. WE MUST NOT MISLEAD OURSELVES OR ALLOW OURSELVES TO BE MISLED INTO BELIEVING OTHERWISE.

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IN CONCLUSION, THE QUESTION I AM MOST FREQUENTLY ASKED IS WHETHER IT IS IN OUR INTEREST FOR GORBACHEV TO SUCCEED OR FAIL. THE FIRST THING WE MUST ADMIT IS THAT THERE IS VERY LITTLE THAT THE UNITED STATES CAN DO TO INFLUENCE THE OUTCOME OF THE STRUGGLE GOING ON INSIDE THE SOVIET UNION. THAT SAID, WE SHOULD ASK OURSELVES IF WE WANT THE POLITICAL, SOCIAL AND ECONOMIC REVITALIZATION OF THE HISTORICAL AND CURRENT SOVIET SYSTEM. I THINK NOT.

WHAT WE DO SEEK IS A SOVIET UNION THAT IS PLURALISTIC INTERNALLY, NON-INTERVENTIONIST EXTERNALLY, OBSERVES BASIC HUMAN RIGHTS, CONTRIBUTES TO INTERNATIONAL STABILITY, AND A SOVIET UNION WHERE THESE CHANGES ARE MORE THAN A TEMPORARY EDICT FROM THE TOP AND ARE INDEPENDENT OF THE VIEWS, POWER AND DURABILITY OF A SINGLE INDIVIDUAL. WE CAN HOPE FOR SUCH CHANGE BUT ALL OF RUSSIAN AND SOVIET HISTORY CAUTIONS US TO BE DEEPLY SKEPTICAL.

WHILE WE CANNOT SIMPLY CLOSE OUR EYES TO MOMENTOUS DEVELOPMENTS IN THE USSR, WE SHOULD WATCH, WAIT, AND EVALUATE. AS GENERAL BILL ODOM HAS SAID, WE SHOULD APPLAUD PERESTROIKA BUT NOT FINANCE IT. WE SHOULD NOT MAKE CONCESSIONS BASED ON HOPE AND POPULAR ENTHUSIASMS HERE OR PLEASING PERSONALITIES AND ATMOSPHERIC OR SUPERFICIAL CHANGES THERE. WE SHOULD, HOWEVER, TAKE ADVANTAGE OF OPPORTUNITIES WHERE THE TERMS ARE FAVORABLE TO US OR WHERE WE CAN BRING ABOUT DESIRABLE CHANGES IN SOVIET

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POLICIES -- WHETHER TO ADVANCE HUMAN RIGHTS, FREER EMIGRATION, STRATEGIC STABILITY, SOLUTIONS TO SOVIET GENERATED PROBLEMS SUCH AS AFGHANISTAN, OR EVEN EXPANDED BUSINESS TIES (IF THERE IS NO TRANSFER OF SENSITIVE TECHNOLOGY). ABOVE ALL, WE MUST ESTABLISH REALISTIC CRITERIA BY WHICH WE CAN JUDGE IN THE COMING MONTHS AND YEARS WHETHER POLITICAL OR ECONOMIC CHANGE IN THE SOVIET UNION GENUINELY IS RESHAPING THE FOUNDATIONS OF THE SYSTEM -- OR WHETHER THE TOTALITARIAN STRUCTURE OF THE SOVIET UNION, INCLUDING THE INSTRUMENTS OF CENTRAL CONTROL AND REPRESSION, ENDURES DISCREETLY IN THE SHADOWS, AVAILABLE AT THE BECKON OF GORBACHEV'S SUCCESSOR, OR EVEN FOR GORBACHEV.

THERE ARE MANY UNCERTAINTIES SURROUNDING THE SOVIET UNION TODAY, BUT ONE FACT IS CLEAR: WHETHER GORBACHEV SUCCEEDS, FAILS, OR JUST SURVIVES, A STILL LONG COMPETITION AND STRUGGLE WITH THE SOVIET UNION LIE BEFORE US. SEEING THIS REALITY CLEARLY -- THE OPPORTUNITIES AS WELL AS THE DANGERS -- WILL BE AN EXTRAORDINARY CHALLENGE FOR THE UNITED STATES AND THE WESTERN DEMOCRACIES IN THE YEARS AHEAD.

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